

WHY AUSTERITY?

Are you concerned about inflationary trends in the United States and the austerity program in Canada? A Canadian Technocrat analyzes the probable reasons for these moves and their effect upon the future of this Continent.

THE Socialist Government of England, alarmed at finding the pound sterling continued to lose value in terms of United States dollars, instituted an 'Austerity Program' for two major reasons. First, so as to force the citizens of England to be satisfied with their own scarcity production, plus whatever could be purchased in countries whose currency was more debased than the pound sterling, or from direct barter. Second, so as to maintain, if possible, the so-called 'sterling area' which England has long considered its private and exclusive trading ground.

The Canadian Government, despite Mackenzie King's evident distaste for socialistic or communistic ideas, was so enthused by this program, that they instituted it in Canada, not for the same purpose as in England, but ostensibly to obscure from Canadians the inevitable depression which, under any Price System, must occur wherever industrial production runs high.

This Canadian austerity program produces a 'new look' in depressions. In the late unlamented depression, there was an abundance of goods at low prices coincidental with a lack of employment, thereby producing insufficient income to purchase the available goods. In this new form, there is a considerably reduced supply of goods, at high prices, so that, despite continued employment, there is, once more, insufficient income to purchase the available goods. Mr. Mackenzie King, himself, makes it evident that this is a situation condoned and approved by the Canadian Government, since he states that he is leaving the control of high prices and higher profits to the restraints of public opinion — obviously on the ox-cart principle that 'the squeaky wheel gets the most grease,' in itself a basic tenet of 'free' enterprise.

This new depression will be definitely more unpleasant for the majority of Canadians than ever was the old. During 1930-38, even those who were on the dole could obtain the basic necessities of life and some of the amenities sufficient to maintain a low standard of living. From now on, the low income families will experience declining sub-standards of living, falling in course of time to the starvation level. During 1930-38, the families with fixed incomes from various sources, or who were still employed, even if at reduced incomes, were relatively well off. Such families will now be in the same boat as the low income families.

A 'NEW LOOK' IN DEPRESSIONS

The sole beneficiaries of this 'new look' depression will be the majority owners and managers of 'free' enterprise. During 1930-38, the members of this group were so alarmed that all business would collapse that they instituted the dole, which, besides feeding the unemployed, gave the smaller entrepreneur a bare existence. Now, major 'free' enterprise is assured of all the profit the traffic will bear, subject only, at the worst, to the easily combatted controls of outraged public opinion. It should be obvious that such a condition must become intolerable to an ever-increasing number of Canadians, after a time, which makes it evident that this austerity program is intended to produce some long term benefit for the Price System in the not very distant future.

The ways of black marketeers may seem devious and strange but they are guileless and simple

compared to the ways of our political leaders and their financial bosses. Price System political behavior can produce amazing contradictions which bewilder even the most intelligent onlookers, though behind these contradictions one may observe the shadowy outlines of the paths being followed. If it is unquestioned, for example, that Mr. Bracken, the Progressive-Conservative leader in Canada, is eager to oust the Liberal Party from executive office. The spoils of office are always alluring. At the same time, Mr. Bracken is known to be as devoted as are the Liberals in the desire to maintain the status quo and above all in serving faithfully the dominant pecuniary interests.

Mr. Bracken, however, is quoted by the Price System press as follows: "Agricultural Minister Gardiner had planned not to cure shortages but to avoid abundance," and, again, "The Government has chosen as its policy the course of monetary and fiscal inflation. This is one of the main reasons for the present predicament. The basic causes of prices in November (1947) are two: the expansion of credit and currency and the lessening of supplies." Mr. Bracken thus confirms that the conditions for the new depression were planned by the Government.

One wonders, however, whether Mr. Bracken fully realized the implications of his statement. It is undoubted that plenty of evidence points to the conclusion that the Canadian Government deliberately entered into inflation. And everyone should know that this was done at the behest of the financial overlords. If the facts are as stated, little hope is left of finding any integrity or honesty among those in political office.

Early in World War II, the Canadian Government issued War Bonds and War Certificates. It has been categorically stated on behalf of that Government, not only then but often repeated since, that these were gilt-edged securities, backed by the credit of the Canadian Government. These Bonds and Certificates were sold to the general public by the most unblushing, high-pressure sales tactics ever devised or used by 'free' enterprise. Every reasonable person is aware that the present inflation has already reduced the purchasing value of these Bonds and Certificates very considerably. Consequently, the only possible conclusion to be drawn from Mr. Bracken's assertion is that a deliberate fraud of unbelievable proportions has been perpetrated on the Canadian people by those in whom they put their political trust. If the Canadian Government, while selling these bonds, had at the same time deliberately embarked on a policy of inflation, what else can one conclude than that the public was 'high-jacked' by a form of legal robbery beside which piracy seems respectable?

Are our political leaders so inane and so shortsighted that they could not foresee this? Or is there a 'nigger in the wood-pile'? It seems as if it were long past time that Canadian public opinion took strong and determined action, not only about high prices and large profits, but also about the fiscal policy of the last ten years. Maybe, however, all this austerity and inflation has an even deeper significance.

In Germany, back in 1919, the wily and astute Hermann Schlacht, financial wizard to the Hohenzollerns, later financial wizard to the infamous Adolph Hitler, devised a somewhat similar scheme of inflation and foisted it on the dumb and ignorant politicians of the so-called democratic Weimar Government. This inflationary plan was conceived so that the majority owners of German 'free' enterprise should avoid paying any reparations to the Allied taxpayers for damages done by World War I, and to enable these same majority owners to obtain complete dominance over the German people. It was cleverly masked so as to throw all the blame for the sufferings of the ordinary German voter onto the shoulders of the Allies.

During the days of the great German inflation, as the Reichsmark lost value so rapidly that

workmen were paid first daily and then hourly, the propaganda current throughout Germany was, "Look at how Woodrow Wilson and the brutal Allied people are deliberately impoverishing us." Never did the ordinary German hear any blame cast on his own political or business leaders, except by the communists. Then, when the German people were dazed from this Price System bludgeoning, the leaders of 'free' enterprise in Germany produced Adolph Hitler and his Brown-shirts as the heaven-sent answer to the German people's prayer for relief. Inflation was thus the cornerstone of Nazism, the German form of European fascism. 'What particular aberration in political lunacy is inflation designed to produce in Canada? Is Canada being used as the proving ground for a North American fascist conspiracy?

Some of us may remember that when the bubble of the 'golden age' of the Price System burst in 1929, the holders of the vested interests and the majority owners of 'free' enterprise in North America were both terrified and despairing. Read the back files of their own sycophantic press to see how they feared the end of their regime as the world's super chiselers. It is not to be wondered that Howard Scott, speaking at the Hotel Pierre in New York City, in the spring of 1933, said to the elite of the National Association of Manufacturers gathered there, that they were 'bankrupt of ideas.' If they had not been so bankrupt of ideas, so lily-liver scared, they would not have been there at all.

FASCISM IN AMERICA?

The leaders of 'free' enterprise in North America are uneasily aware of the 'handwriting on the wall.' Hence the plethora of articles, advertising and other propaganda lauding and raising the Price System, and particularly their individualistic selves, as the creators and saviors of civilization. Joshua, with all his trumpets, never managed to make such noise as these people have made this last year.

The holders of the vested interests realize with bitterness that even after nine long, weary years of Government deficit spending, even though this debt can be cast on our children's children's children, there is still no assurance of the long continuation of the Price System. World War II was for them a heaven-sent relief. It provided an opportunity to regain, at least temporarily, their waning power and control. It must have been evident that the deflation of the late unlamented depression could not be repeated. Next time, when the warehouses were filled to overflowing, when the suckers lost that confidence which makes them so easy to trim, when sales resistance became common and the ranks of the unemployed began to swell, the watch-word would have to be 'inflation.'

Inflation worked well in Germany. The more astute and cunning leaders of German 'free' enterprise gained by it. Why should it fail to work in North America? The Germans had made a grievous error in picking a fanatic like Hitler and imagining they could keep him under control. With proper care, such an error need not be made here. One might doubt that our so-called leaders would reason this way, but Jawaharlal Nehru, leader of the Indian Congress, an astute politician, an observer of highly trained ability and with no prejudice against the Price System, states that, in 1937, he found nothing but admiration of Hitler and no condemnation of fascism among the leaders of the political and business world, either in Europe or elsewhere. If one reads publications of that date, one continually encounters more and more evidence to substantiate this. Take particular notice that, in no way and at no time, has the Price System press or propaganda in North America decried fascism. Nazism, communism and socialism have all been the subject of jeers, scoffs and derision but fascism has been kept free and inviolate from any unkind references or aspersions, except by a few leftwing journals.

Fascism in America! Sounds strange, maybe, but not incredible. It is no stranger than Hitler on the throne of the Hohenzollerns with the ex-German-Crown-Prince helping to hold him there. It is no

stranger than Stalin, once an insignificant revolutionary, now replacing the Czar of all the Russias. Hardly as strange as an ex-trooper becoming the Shah of Shahs in Persia, that land of ancient traditional customs, and receiving the respectful homage of the leaders of the Great Powers. It is certainly nothing unusual for the twentieth century. It is all too easy and with numerous precedents.

STATUS QUO IN PERIL

Europeans and North Americans are the same breed. Their behavior patterns flow from the same traditional sources. There are just as many would-be fascists and nazis in North America as ever there were in Europe and they are not all in the ranks of the proletariat either. That type of individual who will lick the boots, and like it, of whomsoever is in power at the moment, is just as common in North America as in Europe and Asia. We North Americans need no prompting to fancy ourselves as the 'chosen master race,' just as pontifically and stupidly as the English, the Germans or the Japanese. What is so very serious is that the world situation provides both the opportunity and the excuse for fascism here in North America.

There is no doubt whatsoever that the holders of the vested interests and the controllers of the Price System are, indeed, in dire peril. The old status quo is fast dissolving in ruins. The British Empire is fading faster than ever the Roman or the Spanish Empires did. One by one, the colonies of the Empire that once ruled the sea are grasping at independence, even as did the colonies of old Spain when Andrew Jackson sat in the White House. The political leaders of Canada and the United States, at the orders of their financial overlords, have poured billions of the North American taxpayer's money down the bottomless maw of English finance. Despite that, the collapse of that central pillar of worldwide exploitation is imminent. Can it be long delayed? Stafford Cripps admits that the only hope is to find a big enough export market to offset the essential imports. England's own economists agree that the yearly deficit needed will amount to some three-quarters of a billion dollars — no small change when one looks vainly for the markets of yesteryear.

Where can one find export markets? All over the world the struggle for independence from exploitation grows. The Javanese and Sumatrans will tolerate the Dutch but little longer. Freedom for Indonesia will bring uprisings among the Malaysians and the Indo-Chinese. Burma is casting off the English yoke. India, struggling to throw off English commercial controls, is demanding repayment of the English borrowings, either in gold or United States dollars, a repayment the English cannot meet. The days of Chiang-Kai-Shek and his fascistic entourage in China are numbered, despite western aid. Japan awaits the departure of the last United States garrison and then will seek to avoid foreign surpluses thrust on her. France, weakened from internal strife, is losing her overseas grip. Her colonies are ripening for rebellion, too. What markets for England will such events create? Do the English hope to fit out space ships to take their coal and gadgets to the Martians?

The pound sterling is like Humpty Dumpty. Not all the King's horses nor all the King's men can put the pound sterling into business again. The French franc, the Italian lira, the Dutch guilder, and all the rest of the polyglot currency upon which the Price System has built its fantastic Spanish castles of trade and commerce, are on their way, along with the Mexican dollar and the German mark, to the waste paper basket. They are rapidly becoming 'collector's items,' headed for the museums, to repose in glass cases alongside the currency of long defunct earlier Price Systems.

The 'Big Five' Great Powers of 1945 are but the 'Big Two' of 1948. No matter how nationalistic the others may pretend to be, they are but minor satellites, willing sycophants or partisans of one side or the other. The Russian sphere of influence, reaching across northern Asia and already covering half

of Europe, must eventually penetrate into other parts of Europe. That is an economic imperative. It is a matter of elemental economics that peoples look for alliance and friendship to their powerful next door neighbors and not to those, no more powerful and just as alien, who live half a world away. To the western Europeans, it is becoming ever more clear that Russia is not only powerful, but that she is a close neighbor and is likely to become their major source of such food and raw materials as they cannot produce themselves, and the chief market for their manufactured goods. As Russian internal economy expands, western Europe is more than likely to find the Russians are their best customers.

The Truman plan, the Marshall plan and all the other plans so glibly proposed by Americans for European reconstruction are on a par with similar plans mooted and tried back in 1919-1925. To assume, with a lofty indifference to basic facts, that any people will gladly starve or go to war for the benefit of some distant exconqueror, especially one who has already treated the conquered as pariahs, ingrates and objects of charity and who is prepared to do business only in terms of an inflated currency, hardly needs contradiction. Yet this fond assumption is the basis of all the logical reasoning behind the 'humanitarian' side of these plans for Europe. The practical side, naturally, is that they would produce much profitable business for North American business.

THE PIRATE CONCEPT

But if all the wealth of North America is insufficient to underwrite the British Empire, controlled as it is by those who regard the United States in much the same way as a rich uncle is regarded by his pauper nephews, what chance has the same United States and all its satellites among the Disunited Nations of setting up a series of controlled and subsidized states over half of Europe and, one supposes, over all of southern Asia, especially among peoples who will realize they are thereby designated to fill the pleasant position of being the first victims of World War III?

Our 'free' enterprise system, (or should one describe it as our 'free exploitation system'?) has been, in the past, an amazingly successful projection of the old pirate concept of 'sharing the loot.' Because it worked in the eighteenth and nineteenth centuries for the benefit of western European exploiters, by grinding into abject poverty and debasement the vast majority of the world's population, there is still no good reason to expect the same process to work for the benefit of anyone at all in the latter half of the twentieth century. Apparently a large number of Americans have forgotten, or have never learned, that the United States of America came into existence as a nation, solely because a few unimportant and determined settlers in an English colony objected to being exploited any longer by English 'free' enterprise.

THAT 'RAGGED MOB'

Those Americans, who have forgotten so easily the history of this Continent, are due to learn painfully that the exploited all over the world are rising against the exploiters, no matter of what nation nor how plausibly exploitation is concealed as humanitarianism. True, these rebels are as ill-equipped, as foolish, as ragged and as defenseless as those who shivered in the icy mud at Valley Forge. Apparently, many Americans need reminding that those who stayed with Washington were not merchants and manufacturers, rarely 'holders of vested interests,' but were mostly 'that ragged mob,' so utterly despised by the generals and regarded with contempt by chisellers as merely 'sucker fodder.' It is a matter of historical record, however, that when events forced them out of their traditional grooves, such ragged mobs have swept the mighty from their seats and changed the course of human history.

Those who hold power rarely relinquish it without a struggle. Such individuals, like George III

of England, are always willing to sacrifice other folk's lives in efforts to maintain their established prestige and emoluments. If a fascist regime in North America suits the ends of the holders of the North American vested interests, we can be assured there will be no hesitation in attempting to enforce it.

For the past fourteen years, Technocrats have warned the people of North America that they were heading for either science or chaos. Fascism will lead to chaos eventually. Ever since the rise of Mussolini and his blackshirted gangs of ruffians, it has been clear that consolidation of all the minor rackets into a major racket for the preservation of the Price System has seemed the safest method of maintaining indefinitely the blood-sucking grasp of vested interests over the human race. This plan was devised by the leading experts of the largest group of vested interests to be found anywhere in the world.

Admittedly, this plan failed to work in Europe. It failed on account of being implemented in areas so deficient of raw materials that the countries using it were forced into expansion, and as a result into inevitable conflict with outside groups. Despite this failure, the basic concept behind fascism is unquestionably acceptable and even alluring, from tradition, from religious beliefs and from common everyday experience, to the majority of those of European descent. It is the same basic concept behind the divine right of kings, the divine right of the church and the divine right of the rich to use the poor to their own advantage.

That the holders of the vested interests in North America have deliberately decided on inflation would appear to be unquestionable. They alone control the source of credit and currency. They are endeavoring, by everything short of a fighting war, to save the major 'vested interests' of Western Europe from annihilation through Russian absorption. They have to, for their own future is closely wrapped up with these interests.

It would seem, nevertheless, that, in this struggle for self-perpetuation, these holders of the vested interests in North America have only two possible solutions to their problem. One is a fighting war with the U.S.S.R. The other is the creation of a fascist dictatorship powerful enough to overawe the Russians and to frighten the Western European peoples from overtures of Russian friendship. No so-called democracy or combination of democracies could act speedily, drastically and brutally enough for this purpose. The real necessity for an autocratic dictatorship in North America is inherent in this. Failing these two 'solutions,' it is evident that western Europe must turn to the Russian orbit for its source of supply and its economic outlet, which move would hasten the day when the American Price System can no longer stay afloat.

Everyone on this Continent of North America must be fully aware of the effective and continual propaganda designed to produce a blind resentment, a growing hatred, and an unreasoning fear of the Russians. In this, Canada has played a leading part. World War III with Russia as the opponent is being accepted as inevitable by a large number of American people. Yet inflation would not appear to be the proper atmosphere conducive to the preparation for a fighting war, unless a fascist regime were to be first installed.

WE HAVE A CHOICE

Why then austerity in Canada? Possibly it is designed to produce 'volunteers' for the army of aggression, since there are many willing to risk their lives to eat regularly. Possibly it is intended to reduce Canadians to a more docile frame of mind so that they would accept dictatorship without too much resistance. Possibly it is just plain blundering inefficiency on the part of the controllers of the

Price System on this northern fringe of the Continent. So much depends upon what goes on behind closed doors. To determine the correct answer requires more facts than are likely to be made available to the general public. Do not seek them in the Price System press for there will be nothing there but prejudice and propaganda, unless one is expert at reading between the lines and evaluating what are but straws in the wind.

It is the undoubted duty of every genuine North American patriot to protect this Continent from being made the scene of a new experiment in dictatorships. We must be alert to prevent deliberately planned chaotic conditions being used to pave the way for an American fascism just as we need to prevent sabotage calculated to produce communism, socialism or any other European philosophy. It is only the ignorant who will wait until the gates of American concentration camps swing wide or who will delay until the dictators are out in the open seizing control. Which road are we going to follow? The pathway down which Western Europe has plunged to decadence and disaster in less than fifty years, or a true American way, realizing that the day of exploitation is over and so making an orderly, peaceful transition toward a brand new concept of learning how to enjoy life harmoniously?

This choice is ours. Most of our business and political leaders will prefer the European road, just as did their prototypes at the time of the Boston Tea Party. Let the rest of us, like the squirrel hunters from Virginia and the Minute men of Lexington, look to a better future. Americans have already prepared North America's plan to abolish insecurity and internal strife while making international war improbable and disastrous for any foe. That plan decrees the end of all dictatorships, here and elsewhere, whether they be fascistic, communistic or any other variety. It will write finis to exploitation, whether physical, fiscal or moralistic. We, in North America, have solved the problem of production. This all-American plan solves the problem of distribution. With if we can solve the problem of how to live to the best advantage, not only for the individual but for the whole community. Then we can justify our pride in North America.

Shall America lead the world out of hate, jealousy and envy into the way of peace and prosperity? Or shall Americans be sacrificed to European idols to provide a blood transfusion for the stricken Price System? Our fascist surgeons are already sharpening their knives and scalpels. Austerity in Canada, inflation in the United States make ideal fascist tools. Tomorrow, it may be too late for anything but regret. Today, now, join the technological army of the New America! The blueprints lie ready for your task. Study them while you investigate North America's planned progression for the future — TECHNOCRACY!

— George D. Koe

<https://archive.org/details/TheTechnocrat-April1948>